

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2000-386

May 21, 2002

CENTRAL MAINE POWER COMPANY
Petition to Resolve Dispute Regarding
Special Rate Contract for Reformed
Customer Service Agreement With
International Paper (pursuant to
35-A M.R.S.A. § 3204(10))

ORDER APPROVING
CONTRACTS

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

SUMMARY OF DECISION

By this Order, the Commission approves the following agreements filed by Central Maine Power Company (CMP or the Company):

- (1) An Amended and Restated Customer Service Agreement that unbundles the prior Customer Service Agreement (CSA) with International Paper (IP) for its Androscoggin Mill (Unbundling CSA);
- (2) A CSA with IP for the Bucksport Facility (Bucksport CSA); and,
- (3) A CSA with IP for its Jay Facility (Jay CSA).

DISCUSSION AND DECISION

On April 26, 2002, CMP filed with the Commission three proposed agreements associated with IP's facilities. The first agreement (the Unbundling CSA), unbundles the Androscoggin Mill's prior CSA from March 1, 2000 through its expiration, December 30, 2001. The second agreement (the Bucksport CSA), provides a discounted price for the Bucksport Facility for an initial term of April 1, 2001 through February 28, 2004 and then for an additional three years on a year-to-year basis. The third agreement (the Jay CSA), provides a discounted price for the Jay Facility for the period April, 2002 through December 31, 2006.

In its filing, CMP acknowledged that the Bucksport and Jay CSAs do not comply with all conditions of Attachment 6 of the ARP 2000.¹ Pursuant to Attachment 6, contracts with terms no more than one year beyond the term of the ARP, that are not anti-competitive

¹ ARP 2000 was approved by Commission Order Approving Stipulation dated November 16, 2000 in Docket No. 99-666.

or unduly discriminatory and that provide revenues in excess of the Company's marginal cost floors plus an adder, go into effect automatically. The prices in these contracts, however, while above the marginal cost floors are not greater than the marginal cost floors plus an adder. Therefore, in order to become effective, they require Commission review and approval.

The Unbundling CSA was filed pursuant to the statutory requirement that contracts extending beyond March 1, 2000 be unbundled. See 35-A M.R.S.A. § 3204. Aspects of how to unbundle this contract have been in dispute, as described in our December 8, 2000 Order in this docket. In the instant filing, CMP indicated that the three agreements represent a comprehensive solution to the outstanding disputes and issues between CMP and IP and should be evaluated collectively.

We have reviewed the contracts and will allow the agreements to go into effect. Because stranded costs have been set through February, 2005, these agreements should not affect other ratepayers until after that time. Therefore, we will make no determination regarding their reasonableness at this time but will leave this issue open for consideration at the time of the next stranded cost proceeding.

Accordingly, we

O R D E R

That the Unbundling CSA, the Jay CSA and the Bucksport CSA, filed by Central Maine Power Company on April 26, 2002 are hereby approved and may become effective as of the dates requested by the Company.

Dated at Augusta, Maine, this 21st day of May, 2002.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch

Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.